



ADOPTED BUDGET 2010/2011

**BUDGET SPEECH BY CLLR MBOTHOMA MADUNA, THE MAYOR OF SETSOTO LOCAL
MUNICIPALITY, COUNCIL CHAMBER
27 MAY 2010 AT 10:00**

Honourable Speaker of our Council, Cllr Tshidiso Jakobo
The Executive Mayor of Thabo Mofutsanyana District Municipality, Mofumahadi Mathokoana Mopeli
All Exco members
All Council Members
The Municipal Manager, Mr. Bafana Mthembu
All Municipal Employees
All Political organizations
Civic Organizations
Ward Committee Members and Community Development Workers
Members of the Community
Media Organizations
Distinguished guests
Ladies and Gentleman

I would like to take this opportunity to convey my heartfelt greetings to our distinguished guests, Council and Exco Members, Senior Management, all our Municipal Officials and our audience in attendance this morning. Allow me on this occasion of the penultimate sitting of the Council of Setsoto, to wish all Honourable members, a happy and productive financial year before the Local Government Elections of 2011. I say **‘BON VOYAGE.’**

Let me begin by citing a letter written by Dr Martin Luther King Jr. from Birmingham Jail on April 16, 1963. “While confined here in the Birmingham city jail, I came across your recent statement calling my present activities “unwise and untimely.” Seldom do I pause to answer criticism of my work and ideas. If I sought to answer all the criticisms that cross my desk, my secretaries would have little time for anything other than such correspondence in the course of the day, and I would have no time for constructive work. But since I feel that you are men of genuine good will and that your criticisms are sincerely set forth, I want to try to answer your statements in what I hope will be patient and reasonable terms.”

It must be noted that, the culmination of 2010/2011 budget is indeed absolutely another significant milestone for Setsoto Municipality after we have interacted with our communities to enable them to make their contributions to our Integrated Development Plan (IDP). The budget speech is primarily informed by the priorities that our communities have advised us to consider as this Municipality.

Ke rata ho phetha hape jwalo ka tlwaelo ke re, re fela re fihletse katleho ho tse ding tsa dikateng tseo tokomane ya ditekanyetso ya selemo 2010/11 e neng e di behile. Tsena tsohle di fihlelehile ka hobane re na le Mookamedi wa Masepala le baokamedi bohle ba Masepala, ketjho le bona basebeleletsi ba lekgotla la motse.

Tsohle dikopano le setjhaba metseng yohle ya Masepala wa Setsoto di re atlehisitse hore re nonye setjhaba maikutlo. E fela le sona setjhaba se thotse monyetla wa ho ipeletsa ka hara tse ding bofokodi ba rona ka ditshebeletso, hara tse ding, ho phuthwa ha matlakala, hoo ho bile eka ho hotle ho ba le di ‘dumping zones’, ditsela tsa rona tse sa kgahliseng le ditlankane tsa ditshebeletso tse sa tholahaleng ka nako e ka sita le motlakase wa mahala o ntseng o soka o fihleleha ho bohle, matha a tsa dikgweregware le phano ya metsi, a na e bile a mang a mathata ao baahi ba rona ba ile ba tobana le ona. Re ikemisedisetse ka matla a maholo hore re se ra hlola re eba le mathata a nako e fetileng.

We have taken a conscious decision to ensure that we continue with effort of ensuring that, local government works better and works better for our people by ensuring that there is provision of basic services to our people progressively with our limited resources.

Our budget for the financial year of 2010/2011 has been prepared and compiled within the confinements of National Treasury's requirement.

Hon. Speaker, I would further appreciate to take this opportunity to state that, we have complied with the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and Municipal Systems Act, 2000 (Act No. 32 of 2000) in compiling this budget. It is strictly and directly aligned to the Integrated Development Plan (IDP).

Hon. Speaker, as the country we have just observed the **National Child Protection Week**, that started on 25 May. We hope that we shall do better in our endeavor in creating much better enabling conditions for our children.

On Tuesday, 25 May we had a commemoration of **Africa Day**. **Africa Day** is the annual commemoration of the May 25, 1963 founding of the Organization for African Unity (OAU). On this day, leaders of 30 of the 32 Independent African States signed a founding charter in Addis Ababa, Ethiopia. In 2002 the Organization for African Unity established its own successor, the African Union (AU) in Durban. However, the name and date of Africa Day has been retained as a celebration of African unity.

Hon. Speaker, in 14 days time, starting on the 11 June, the world's most popular sport will be played in South Africa. All of us have been waiting patiently for a long period for this tournament and as a country we have done our preparations. We have demonstrated that as a country we have the necessary capacity to host huge events. We have successfully hosted 2009 FIFA Confederations Cup and the final draw for 2010 FIFA World Cup. As a country we are confident that our National Squad which has undergone a serious revamp will make us proud during the Soccer World Cup. We must also congratulate Bafana Bafana for its outstanding performance against Bulgaria during Monday, 24 May 2010.

Indeed Honourable Speaker, as we all know, football is more than a game, it is a great unifying force, the former State President, Dr Nelson Mandela said, it can help "us uphold the values of tolerance, of inclusiveness and reconciliation, and of non-racialism and peace that are still dear to all of us today".

As Setsoto Municipality we must be counted amongst those that are welcoming visitors to our country and wish all the teams well and again we would like to urge all South Africans to support Bafana Bafana so that we can be able to emerge victoriously as the country. The FIFA 2010 Soccer Spectacular is finally on our shores, **"FEEL IT, IT IS HERE."**

On the 16 June we shall be commemorating the **African Child Day**, a world-wide celebration that will focus international attention on the needs of African children. The commemoration coincides with the date of the massacre of demonstrating Soweto schoolchildren and somewhere else within our country by South African police on the **16th June in 1976**. We must ensure that we use this as an opportunity to educate our youth to be more responsible like the 1976 generation. We would like to urge the current generation of young South Africans to face new challenges and defend their nation's hard-won democracy and to stay away from crime and drugs. We are in the process of finalizing our preparations for Youth Month Celebrations.

It is also a pleasure to further pronounce that on the 16 June 2010 we are launching officially Setsoto Youth Advisory Centre. The primary purpose of this centre is to empower our youth with information so that they can be able to access opportunities that we are having within our country.

Last year (2009), around this period the Reserve Bank announced that our economy was officially in **recession**, and we urged our people not to despair, indeed our people did not despair. Now our economy has recovered from recession.

Hon. Speaker, our economy has been growing quite impressively in post-apartheid years, there had been fourteen years of Gross Domestic growth and the rate of this growth increased from 2003. However, in spite of this, overall inequality has not been reduced.

The budget of the municipality is informed by the income that we expect from the households, businesses, and government departments in terms of service charges. There has been an increasing level in terms of outstanding debts. The high outstanding debt amount is chiefly attributed to households. The increase in outstanding debt inhibits the ability of the municipality to achieve its set objectives. For the Financial Year of 2010/11 we shall continue to be robust when it comes to collecting money that is due to the municipality in our endeavor to ensure that there is a decline in outstanding debt.

People who cannot afford to pay for their services must be registered so that they can be subsidized by government. It is one of the challenges that we are faced with, of people that are not paying for their services and we do not know why they are unable to register with government to be subsidized. We must be seen acting harshly against people who are not paying for their services because we are asking, tell us, why you are not paying for the services that you are getting from government so that we can be able to assist you. We are kindly appealing to our people to cooperate with us in this regard.

67 Minutes for Mandela

Madiba's birthday on July 18 is the high point of Mandela Day and the main aim is to ensure that people see every day as a Mandela Day. Everybody can utilise Madiba's legacy to start a movement for good, by giving 67 minutes to help a community.

Mr. Mandela has spent 67 years making the world a better place. We're asking you for 67 minutes." Nelson Mandela turns 92 on 18 July, and the call has gone out for people everywhere to celebrate his birthday, – by acting on the idea that each person has the power to change the world. We would like to urge all our people to devote 67 minutes of their time to make an imprint and help change the world around them.

Madiba will be honoured if we could use this as an opportunity to bring together people around the world to fight poverty and promote peace and reconciliation. As Setsoto Municipality we are equally determined to reach out at those families that are in desperate need of help and we must ensure that there is unity of our people hence that there is a program that has been planned for 67 Minutes for Mandela. We would like to invite all our people to join millions of people throughout the world in making 67 Minutes for Mandela a success.

The Local Government Turn Around Strategy identified that municipalities are faced with a serious challenge and they must reflect on their own performance and identify their own tailor-made turnaround strategies focused on achieving the following:

- Stable Councils with visionary and accountable leadership;
- Undertake appropriate set of powers and functions, identify and establish relevant agency arrangements with national and provincial government within current policy framework;
- Professional administration that supports the political vision contained in the electoral mandate;
- Properly constituted corporate services, technical services and financial management functions, including recruitment and skills retention policies ensuring ‘right people in the right job’
- Provision of basic services and ensuring every cent spent is well considered and accounted for as ‘value for money’
- Through the municipal Spatial Development Frameworks, each municipality is aware of and is able to guide the land use activity on every square meter and kilometer in its area of jurisdiction. The enactment of the Land Use Management Schemes (LUMS) will assist in this regard.
- Optimized revenue collection and improved billing, customer care, indigent and credit control policies – ‘balance the books’
- Work towards sustaining clean audit outcomes by 2014. Those that can achieve the target earlier must do so.
- Improved public participation and communication including effective complaint management and feedback systems.

Hon. Speaker, allow me to take this opportunity to reflect in detail our Draft Budget for the Financial Year of 2010/2011

The total budget of the municipality is anticipated at **R 379 million** which is going to be funded out of own revenue that we are billing on service charges and rates, grants and subsidies that are received from the National fiscus as part and parcel of sharing in the national wealth which is indicated in the freedom charter. The total own revenue is budgeted an amount of R 152 million while grants & subsidies have been budgeted an amount of R 227 million.

EXPENDITURE

The expenditure of the budget reflects the inputs that are going to be used in order to maximise services delivery as I have indicated earlier on. Expenditure is distinguished in terms of Operating Expenditure as well as Capital Expenditure. Operating Expenditure refers to the normal day to day expenses of the municipality and it has been allocated a total amount of R286 million, whilst Capital Expenditure refers to the building or acquisition of infrastructural assets of the municipality and it is allocated a total amount of R 93 million. Hon. Speaker, this implies that a total of 25% of our expenditure shall go towards capital expenditure and that represents an average increase of 85% from the current financial year (2009/2010), 75% shall therefore go towards operating expenditure and it has increased with an average of 18%.

OPERATING EXPENDITURE

Employee related costs have been allocated a total amount of R 81 million which represents 28% against the total operating expenditure and the budgeted increase is 7.8% which is slightly above the 7.7% National treasury benchmark. The remuneration of Councilors is allocated a total amount of R 8.3 million which represents an average increase of 13%.

The municipality has a low payment rate and for that purpose the amount that has been allocated to the provision for bad debts is a total amount of R 34 million. We shall call the “Payment Imbizo” in order to explore various ways of maximising our collection rate as low payment rate inhibits the ability of the municipality to deliver services.

The provision for depreciation is an amount of R 26 million. We have allocated R 15 million towards repairs and maintenance and the majority of our repairs shall go towards road maintenance.

We have allocated an amount R 10 million for serving of municipal debts. Bulk purchase which reflects electricity that the municipality buys for re-sale is allocated an amount of R 34 million.

Honourable Speaker, we have allocated a total amount of R14 million for the purposes of assisting poor households through indigent subsidies and this ensures that the poor are protected by this budget. The maximum indigent subsidy is an amount of **R 1400 (government advice on the increase is awaited)** of household income of all people that are older than 18 years of age. Households that fall within this category are urged to consult their Ward Councillors to assist them with registering for indigent subsidy.

TARIFFS

On the 15 March 2010 it was announced that the National Energy Regulator of South Africa granted ESKOM's to increase the municipal tariff on bulk electricity by 28.9% and the municipality tariff increase for electricity is 20% across the board. All qualifying residents in the municipality will continue to receive the Free Basic Electricity (FBE).

Water tariff is budgeted to increase by an average of 10% and the increase is largely attributed to the high anticipated inputs costs.

Sewerage and refuse tariffs are budgeted to increase with only 5% respectively.

CAPITAL EXPENDITURE

The municipality has budgeted for the following capital projects which are funded through the Municipal Infrastructure Grant (MIG). Indeed Project Management and Contract Management skills are essential for successful delivery of these projects and we need to ensure that the three most important components which are Time, Cost and Quality are not compromised in the project Life Cycle. DBSA has deployed a specialist for advice and support in this field. The Project Management Unit (PMU) needs to run at full strength for the successful delivery of the projects. The following projects are approved for MIG funding for 2010/2011 financial year:

UNIT	LIST OF CAPITAL PROJECTS	AMOUNT (R)
Marquard / Moemaneng	Augmentation of Raw Water Supply: Construction of Pipeline & Reservoirs	2 779 613
Marquard / Moemaneng	Upgrading of Water Treatment Works	4 570 000
Marquard / Moemaneng	Upgrading of Oxidation Ponds	7 240 580
Marquard / Moemaneng	Installation of 4815 Water Meters	4 943 429
Senekal / Matwabeng	Upgrading of Waste Water Treatment Works	8 254 396
Ficksburg /	Upgrading of Treatment Works (Bulk Water	

Meqheleng	Supply)	14 802 925
Ficksburg / Meqheleng	Installation of 11521 Water Meters	7 139 161
Clocolan / Hlohlolwane	Installation of 5684 Water Meters	2 620 896
Ficksburg / Meqheleng	2,4 Km Paved road in Meqheleng	8 000 000
Senekal & Marquard	Construction of Roads	9 626 000
Meqheleng	Construction of Paved Roads and Storm Water Drainage for 2,3 km	6 300 000
Matwabeng	Construction of Paved Roads and Storm Water Drainage for 2,2 km	6 000 000
Hlohlolwane	Construction of Paved Roads and Storm Water Drainage for 2,1	5 800 000
Moemaneng	Construction of Paved Roads and Storm Water Drainage for 2,0	5 500 000
Senekal / Matwabeng	Development of Boreholes	21 561 925
	TOTAL	115 138 925

An amount of **R 2 550 000.00** has been budgeted for the purchasing of **mobile compactors** (refuse removal trucks) and an amount of **R 500 000.00** for **tipper** trucks.

An amount of **R 40 000** has been budgeted for the purchasing of Mass Containers.

In terms of the Waste Management Act, Council must draw up an **Integrated Waste Management Plan** to ensure effective delivery of the refuse removal service. The Final Integrated Waste Management Plan (IWMP) was submitted to Council and approved during August 2009.

On **Parks and Cemeteries**, we have planned to develop at least **one park per unit** per year as a priority. This development would depend on **external funding**. An amount of **R 600 000.00** was made available in the budget for the 2008/2009 financial year for the development of parks.

Another priority is the greening of areas and possible donation of trees is negotiated with the Department of Tourism, Environment and Economic Affairs. These trees must then be donated to residents that are prepared to plant and care for these trees.

An amount of **R 200 000.00** has been budgeted for the development of **Tennis/Netball courts**.

An amount of **R 600 000.00** is made available for the provision of fencing at the cemeteries.

An amount of **R 1 000 000.00** is made available for the purchasing of a **Back Actor** (TLB) for use at the cemeteries.

An amount of **R 180 000.00** has been budgeted for the provision of services at the cemeteries, e.g. Toilets and water facilities.

We have budgeted an amount of **R 196 500.00** for the purchasing of **Lawn mowers, Weed eaters and equipment** for use at the parks. This purchasing would depend on **external funding**.

An amount of **R 400 000.00** has been budgeted for the purchasing of a **Tractor** for utilization at the parks.

The maintenance of community/town halls as well as the property of Council must also be seen as a priority to ensure that the assets of Council stay as an investment to Council.

Maintenance has been done and the work is still in progress at Matwabeng Community Hall, Matwabeng Police Station, Public toilets in Senekal, Toilets at Clocolan/Hlohlolwane cemeteries, Mapenyadira Community Hall and the Sport Stadium in Marquard. An amount of **R 168 000.00** has been made available for the purchasing of tools and equipment. This development would depend on **internal funding**.

We have budgeted an amount of **R 865 000.00** for new township establishment at Ficksburg with a total of 3000 sites that will be available for residential, business, churches and for Municipal usage. We have put a timeframe of not later than 30 June 2011 for this massive development.

Hon. Speaker there is also a plan to facilitate the construction and development of sites for medium and high cost houses in Clocolan where there are 60 sites readily available. This plan will require from us an amount of **R 20 000.00** to have it completed not later than 30 June 2011.

Local Economic Development (LED) Projects

Within the next financial year, the following projects were identified as lead projects in our strife to create jobs and fight poverty in our communities. Honourable Speaker, our former President would depict South Africa as having two economic divides: one that is rich and the other that is poor and predominantly Black. We intend to undertake Economic Regeneration Studies or feasibility studies and implement or commission the following projects flowing from our LED and Tourism Strategies.

• Development of Emerging Businesses	R100 000.00
• Hydroponics	R 50 000.00
• Textile Project	R100 000.00
• Waste Recycling Project	R100 000.00
• Sand Stone Mining	R100 000.00
• Nursery Project	R 50 000.00
• Tourism Signages	R100 000.00
• Leather Hand Crafting	R200 000.00
• Asparagus Production	R 50 000.00
• LED Summit	R500 000.00
• Festivals (Cherry, Jazz, Bacha/Youth, Senekal)	R800 000.00

We are currently looking at best modalities of Public Private Partnership (PPP) with and establishment of Municipal Entities to operate the Deemster Farm for an Integrated Dairy Project of which the Free State Department of Agriculture has already committed an amount of R2, 5 million for the development of the designs by German companies. Another project envisaged to be operated as an entity is the Meqheleng Peach Project and an Ad-Hoc Committee has since been established to look into the financial viability and sustainability of the project. In the words of John Maxwell, I still maintain that “Visionary People see the triumph before the prize is won.”

Hon. Speaker, we have budgeted an amount of **R1, 128 million** for our interns to acquire skills and work experience in the fields of Financial Management, Information Technology, Human Resources, Auditing, IDP and Local Economic Development. A further amount of **R3, 343 million** is budgeted for training and learnership in the areas of Road Construction, waste Management, Electricity, Water Services, Fire Fighting and Community Services.

Youth Development

A society without young people is an incomplete society and we have found it extremely appropriate to budget an amount of R677 000, 00 for youth development with primary focus on the following areas: education, sports, entrepreneurship, arts and culture. The modalities will be and details will be addressed during implementation phase.

Farm dwellers

We are aware of working conditions of farm dwellers. It is therefore necessary for us to create a platform for engagement to deal with challenges that our farm dwellers are faced with. We must translate our policies into action by responding directly to the challenges that our farm dwellers are faced with. Hon. Speaker for the end of first quarter of our new Financial Year we have planned to have a Summit to deal specifically with the challenges that our farm dwellers are faced with. For the Financial Year of 2010/2011 we have an amount of **R 2.5 million** budgeted for our farm workers that are unable to pay for electricity and water.

Let me reiterate in the words of Dr King, "Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly. Never again can we afford to live with the narrow, municipal "outside agitator" idea. Anyone who lives inside the Setsoto Local Municipality can never be considered an outsider anywhere within its bounds."

We would like to commend the majority of our councilors and officials who continue to serve our people with integrity and dedication. Keep up the good work that you are doing. We must also warn those that are not performing their duties that they will bear the consequences of their laziness. There comes a time when the cup of endurance runs over, and men are no longer willing to be plunged into the abyss of despair. I hope, sirs, you can understand our legitimate and unavoidable impatience. We can no longer postpone the hunger of the People.

With that Honorable Speaker, I will now formally wish to invite Hon. Councilors to adopt our IDP linked Budget for the Financial Year of 2010/2011 in terms of section 24(1) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and dully informed by our IDP and the Municipal Turn Around Strategy.

I thank you.

Cllr. M. Maduna

MAYOR: SETSOTO LOCAL MUNICIPALITY

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REPORT : MUNICIPAL MANAGER

INTRODUCTION & OVERVIEW

In terms section 16 of the Municipal Finance Management Act No. 56 of 2003, read in conjunction with circular 28 issued by the National treasury the mayor must table the draft budget of the municipality for the purposes of inviting inputs from various stakeholders in terms of the draft budget.

The budget shall be advertised and the budget road shows shall also be undertaken in order to invite inputs from various stakeholders (E.g. Community). The budget inputs shall then be taken into account and a second draft shall be tabled at least 30 days prior to the start of the financial year for recommendation to the council for approval.

Note should be taken that the current draft budget is tabled at least 30 days before the start of the new financial year for approval based on the requirements as per new Municipal Budget and Reporting Regulation No. 32141 which was promulgated in the Government Gazette on the 17th of April 2009.

OBJECTIVE

The objective of the draft budget is for approval of the draft budget for 2010/11.

*** Attached is an Annexure of the Draft Budget for 2010/2011.

RECOMMENDATIONS:

1. That the draft budget of the municipality for the financial year 2010/11 and indicative for the two projected outer years, 2011/12 and 2012/13 be approved as follows:

1.1 Operating revenue by source;

1.2 Operating expenditure by vote;

1.3 Capital expenditure by vote;

1.4 Capital funding by source.

2. That the tariff structure as reflected for the 2010/11 be approved.

3. That the measurable performance objectives for revenue from each source reflected in the indigent equity area be approved for the budget year 2010/11.

(FOR RESOLUTION)

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Minutes Special Exco Meeting: 25/05/2010

After lengthy deliberation on the Budget, Cllr Tsolo proposed that the Budget be recommended to Council with amendments and was seconded by Cllr Oljohn.

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Minutes Council Meeting: 27/05/2010

The Mayor was given the opportunity to present his Budget Speech whereafter each political party was given an opportunity to make inputs.

Cllr Bester from FF+ indicated that the Turn Around Strategy was a wish list and further indicated that in two months there will be no salaries for the employees. She also talked of the increase on property rates with 6% and there are more than 300 objections against evaluation roll which will be attended in the next month as well as the increase of electricity and refuse removal by 5%. She indicated that legal fees were not budgeted for in this financial year. She also talked of that there was a promise in the last financial year budget that there will be a decline in outstanding debts instead it has increased and she voted against the budget.

Cllr Makara from PAC indicated he expected a budget that would emerge from recession, he indicated that the budget was designed to stabilise the community and only to calm the fears of the haves. He further indicated what they want was to see was a budget which has proper systems and capable of delivering of services efficiently and effectually to meet the basic needs of the people. He further indicated that there is no significant improvement in health, Roads, Parks and Sport facilities. He also indicated that Community is awaiting houses. He also indicated there is no water in some areas what he can see is only dumping sites around our townships because of shortage of machinery and fleet. Lastly he indicated that farm dwellers are most hated communities which are ignored living without descend services and indicated that since the Mayor in his speech has included them and urged the Mayor that their inclusion to this budget should not be a song. He lastly voted against the budget.

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Cllr Du Toit from DA indicated that Setsoto Municipality has reached a gross road whereby the Chief Financial Officer is staked about the financial situation of the institution. He urged Management to give preference to the officials when coming to salaries because they are the one working. He shared the sentiment of the Mayor that the institution is faced with critical challenges of not providing descend services to their communities. He also agreed with Cllr Bester statement that Council should not consider servicing the community with the promise that they are going to engage in robust collection of debts when they have appointed someone calling himself a lawyer who cant even do collection work. He also indicated on Page 15 of the budget some of the tariffs has been hijacked and he was skeptic as to whether was the public made aware of such hijacks because they did not appear during Mayoral budget road shows. He indicated it is a disgrace in the townships whereby the community is experiencing problems of the spillages and dumping sites all over in the townships. He lastly indicated this Council has dismally failed he further indicated he wont be suppressed if this Council goes to section 139 (Administration). He indicated DA was left with no option but to vote against the budget.

Cllr Zim from ANC saluted members during this “people driven budget speech”

He said that indeed this budget marks a significant stride towards changing for better the lives of both sector of our constituencies in the township and town. It has taken into consideration a hands-on approach on the people’s needs and champion the fast tracking of sustainable service delivery.

He urged acknowledgement that during the recent financial year we were met with critical service delivery challenges (i.e. water scarcity, sewer spillage, unbearable roads and storm water due to heavy rain falls we previously received, and rare refuse collection both in town and township) we therefore plead and call to all our people to assist us collecting R226 M outstanding debt. With it we can turn-around this Municipality in a week’s time.

He indicated that people have spoken and vigorous action will unfold during 2010/2011 financial year. With the budgeted R446’825’393.00 for 2006/2011 (pg 57-62). **“REOLE LE TLO THUNYA, BATHO BA TLA THEOLETSA NTSHETSO PELE YA DITSHEBELETSO TSA MANTLHA”**

He then said that there shall be:

- Improved roads and storm water in our township
- Decent sanitation
- Decent recreational facilities for our children

- Actual greening on parks in the township for children to play

HA ELE YENE BUDGET RONA RE YA E THEOLETSA, RE E OTLELA MAHOFLRURI BOFUMA BO TLO TSWA MALAPENG A BAFUTSANA, MESEBETSI KA BONGATA E TLO BA TENG.

He requested members to join the hands in order to realise 5 key priority areas in our manifesto.

- Creation of decent work and sustainable livelihoods
- Decent education
- Improved health and safety
- Sustainable economy, rural development, food security and land reform
- The fight against crime and corruption

He lastly said that budget is indeed (ABC) Activity Based Costing Budgeting. It reflects on Baseline information and is an **accounting technique** that allows for the determination of the **actual costs**. **ANC supported the budget.**

**“MMOHO RE TLA TLISA DIPHETOHO; TOGETHER WE CAN DO MORE”.
HALALA SETSOTO HALALA-AMANDLA**

EXECUTIVE SUMMARY

INTRODUCTION

The draft budget 2010/2011 was drafted taken into consideration the following pieces of legislation into consideration, *Constitution of the of the Republic of South Africa, Municipal structures act, Municipal systems act, Municipal finance management act, Division of Revenue Act, PPPFA, Competition act, Property rates act, National credit act, Basic Conditions of Employment Act, Labour Relations Act, Skills Development Act, Skills Levies Act, Employment Equity Act, Occupational Health and Safety Act, Compensation for Occupational Injuries, Budget related Circulars, and All Municipal Policies*

In drafting the budget the municipality has taken into consideration the requirements of section 18 of the Municipal Finance Management Act no. 56 of 2003. The foregoing section requires that the budget of the municipality should be based on a realistic anticipated revenue, however strict cash flow control should be applied during the financial year 2010/2011 in order to enable the municipality to meet its legislative obligation.

DRAFT BUDGET OVERVIEW: 2010/2011

The total draft budget for the year 2010/2011 is an average of R 379 million which is funded out of own income (e.g. service charges) and grants & subsidies. Grants & subsidies accounts 60% towards total revenue of the municipality while own income is anticipated to contribute 40%.

The draft budget is anticipated to increase with an average of 29% from the approved budget 2009/2010. The increase is directly attributed to grants that are attributable to the municipality in terms of Division of Revenue Act 2010.

INCOME OVERVIEW

Property rates is anticipated to contribute an amount of R 21 million while user charges for services which is constituted by Water, Electricity, Refuse, and Sewerage

EXPENDITURE OVERVIEW

Employee related costs have been allocated a total amount of R 81 million and it is anticipated contributes a 28% towards total operating expenditure. The municipality have not made any allocation towards vacant posts that are new. Old posts that are vacant as a result of resignations or death are catered for in the budget.

Remuneration of councillors is allocated an average of R 8.3 million which represents an increase of 13% from the previous budget year (2009/10).

Working capital reserve (Bad debt provision) is anticipated to be an amount of R 37 which is based on an average collection of 60% on property rates and user charges for services. However the foregoing budgeted amount will most probably not be sufficient to cover the total increase in the outstanding debt.

Depreciation is anticipated to increase by an average of 59% from the previous financial year (2009/10). The increase is attributed to the full implementation of GRAP whereby assets that were not individually depreciated shall be depreciated accordingly.

Repairs and maintenance is anticipated to be R 15 million and it shall contribute 5% towards operating expenditure. Repairs and maintenance has declined with an average of 30% from the previous financial year. The biggest culprit towards the decline is the roads and storm water. The other contributing factor is the anticipated reduction in repairs and maintenance based on the anticipated fleet to be acquired.

Interest of external borrowings is anticipated to be an amount of R 10 million which is based on the anticipated capital loans to be acquired. Grants and subsidies given which represents indigent subsidies is allocated an amount of R 15 million which represents an increase of 23% for the previous financial year (2009/10). The municipality in its endeavour to reduce costs it has tried to reduce the general expenditure by an average of 5%.

Bulk purchases (Bulk Electricity) is anticipated to be an average of R 34 million and the municipality has taken into cognisance the increase that was granted to Eskom by NERSA in terms of the electricity increase.

TARIFFS

The tariff for electricity is budgeted to increase with an average of 20% while tariff for water is budgeted to increase by an average of 10%.

The increase on electricity is informed by the general increase that is granted to Eskom by NERSA in terms of electricity increase.

The increase in water is based on the anticipated increase in the water chemicals and other utensils as a result of the high input costs (e.g. electricity increase) by manufactures and suppliers. The increase is also aimed at supplementing the asset infrastructure network within the water services.

Sewerage and Refuse shall increase with an average of 5% respectively.

All other tariffs are anticipated to remain unchanged in an effort to reduce the burden on household budgets. In an effort to ensure consistence and to broaden the tax base the municipality is anticipating introducing additional tariffs for the buying and selling of municipal land as well as renting of municipal properties.

BUDGET ASSUMPTION

The draft budget 2010/2011 is based on the assumption that if all things are constant the general future budget growth for the financial year 2011/2013 and 2012/2012 shall be 5% respectively.



ADOPTED BUDGET 2010/2011

SETSOTO LOCAL MUNICIPALITY
CAPITAL PROJECTS 2006/2011

ITEM No.	IDP REF.	UNIT	Fin.Resource	Details	2010/2011
TECHNICAL - ADMIN	FURNITURE AND EQUIPMENT		Income		
ELECTRICITY	VEHICLES, TOOLS AND EQUIPME	Clocolan/Hlohlolwane	Income		
ELECTRICITY	VEHICLES, TOOLS AND EQUIPME	Senekal/Matwabeng	Grants - Conditional	Transformer - Zuiderstr	
ELECTRICITY	VEHICLES, TOOLS AND EQUIPME	Senekal/Matwabeng	Grants - Conditional	Mini Sub De Rust	
ELECTRICITY	NETWORK	Senekal/Matwabeng	Grants - Conditional	Network	
ELECTRICITY	NETWORK	Marquard/Moemaneng	Grants - Conditional	Upgrade - Network	0
WATER	NETWORK	All Units	Grants - MIG	Sparta Development: Raising of wall	15 000 000
WATER	VEHICLES AND EQUIPMENT	All Units	Grants - Conditional	P M U	
WATER	NETWORK	Ficksburg/Meqheleng	Grants - MIG	Upgrading: Bulk water supply	26 315 789
WATER	NETWORK	Marquard/Moemaneng	Grants - MIG	Upgrading-Water plant	1 786 211
WATER	NETWORK	Senekal/Matwabeng	Grants - Conditional	DWA - Boreholes	21 561 925
WATER	NETWORK	Senekal/Matwabeng	Grants - MIG	Upgrading-Water water treatment	1 500 000
WATER	NETWORK	Clocolan/Hlohlolwane	Grants - Conditional	New pumpstation	
ROADS AND STORMWATER	NETWORK	Ficksburg/Meqheleng	Income	Re-sealing of Tar roads/ side walks	
ROADS AND STORMWATER	NETWORK	Ficksburg/Meqheleng	Grants - Conditional	Upgrading roads	8 000 000
ROADS AND STORMWATER	NETWORK	All units	Grants - Conditional	EPWP	9 626 000
ROADS AND STORMWATER	VEHICLES AND EQUIPMENT	Ficksburg/Meqheleng	Grants - Conditional	Paving roads	
ROADS AND STORMWATER	VEHICLES AND EQUIPMENT	Clocolan/Hlohlolwane	Grants - Conditional	1 x Tractor	
SEWERAGE SERVICES	NETWORK	Ficksburg/Meqheleng	Grants - Conditional	Bucket Eradication	
SEWERAGE SERVICES	NETWORK	Ficksburg/Meqheleng	Grants - Conditional	Upgrading Sewer Treatment	
SEWERAGE SERVICES	NETWORK	Marquard/Moemaneng	Income	Fencing	
SEWERAGE SERVICES	NETWORK	Ficksburg/Meqheleng	Grants - MIG	Sanitation: Treatment works	7 749 000.00
CLEANING SERVICES	VEHICLES AND EQUIPMENT		Income	1 x Mobile Compactor	1 180 000
PARKS AND RECREATION	VEHICLES, TOOLS AND EQUIPME	All units	Grants - Conditional	Lawnmowers	
PARKS AND RECREATION	NETWORK		Grants - Conditional	Tennis/Netbal courts	
FINANCIAL SERVICES	FURNITURE AND EQUIPMENT		Grants - Conditional	Fixed asset register	
FINANCIAL SERVICES	FURNITURE AND EQUIPMENT		Grants - Conditional	Valuation roll	
MUNICIPAL MANAGER	FURNITURE AND EQUIPMENT		Income		
IT	NETWORK		Income	Website/Intranet	
IDP	IDP		Income	Implementation of PMS	
IT	NETWORK		Income	Network changes	
IT	NETWORK		Income	Server Room Upgrade	
COUNCIL GENERAL EXPENDITURE			Income		
GRAND TOTAL - SOURCE OF FUNDING			Income		1 180 000.00
			Lotto		-
			Loans		61 325 000.00
			Grants - Conditional		39 187 925.00
			Grants - MIG		52 351 000.00
			Postponed		292 781 468.00
			Grants - Other		-

ITEM No.	IDP REF.	UNIT	Fin.Resource	Details	2010/2011
TOTAL FUNDING					446 825 393



ADOPTED BUDGET 2010/2011

CORPORATE SERVICES

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Photocopies			
- Photostats A4	2.19	2.19	2.50
- Photostats A3	4.56	4.56	5.20
Copies of Maps	65.00	65.00	74.10
Clearance Certificate	70.00	70.00	79.80
Valuation Certificate	70.00	70.00	79.80
Look-up-fees per hour or part per hour	6.00	6.00	6.84
Building Plan Copies	70.00	70.00	79.80
Faxes : Per page			
- Sending	6.00	6.00	6.84
- Receiving	6.00	6.00	6.84
Voters roll per page	2.50	2.50	2.85
Valuation Roll per unit	700.00	700.00	798.00
Address Roll per unit	700.00	700.00	798.00
Posters :			
- Deposit	300.00	300.00	342.00
- Rental per poster	0.50	0.50	0.57
Enquiry Fees -per hour of part thereof (Special Requests)	40.00	40.00	45.60
Deeds Office Enquiries per property (Aktex)	30.00	30.00	34.20
Pointing of Site Pens - Surveyor Costs plus	10.00%	10.00%	
Pound Fees per day (per head)			-
Only for Cattle, Horses and Donkeys			
First day	70.00	70.00	79.80
Second Day and longer per day	70.00	70.00	79.80
Only for Buck, Sheep and Pigs			
First day	20.00	20.00	22.80
Second Day and longer per day	20.00	20.00	22.80
Wood (if available)			
- Droppers (if available)			
Per 100 for 1.2m lengths	120.00	120.00	136.80
Per 100 for 1.8m lengths	180.00	180.00	205.20
- Selling of Wood (if available)			
Per bundle carried by single human	20.00	20.00	22.80
Dry wood per cubic meter	70.00	70.00	79.80
Saw Timber per cubic meter (chopped)	180.00	180.00	205.20
Saw Timber - 1 meter lengts	90.00	90.00	102.60
Per Bag	20.00	20.00	22.80
Valuation Objection Fees			
- Per property with a minimum of R 3500-00 if less than four objections, there after	300.00	300.00	342.00

Encroachments on sidewalks

- Application for advertising boards and other encroachments			
* Permanent structure per year plus 10% escalation per year	270.00	270.00	307.80
* Temporary structure per year plus 10% escalation per year	220.00	220.00	250.80

Building Approvals/Inspections Fees**- Residential Sites**

0-100m2	65.00	65.00	74.10
101-200m2	185.00	185.00	210.90
201-300m2	250.00	250.00	285.00
301m2+	400.00	400.00	456.00
- Sewerage Inspect - Per sewerage point (new buildings)	30.00	30.00	34.20

- Trading and Industrial Sites

0-200m2	400.00	400.00	456.00
201-500m2	650.00	650.00	741.00
501m2+	1 500.00	1 500.00	1 710.00
- Sewerage Inspect - Per sewerage point (new buildings)	35.00	35.00	39.90

Debtors Collection Fee

Default charge	50.00	50.00	57.00
Cheque returned by bank	100.00	100.00	114.00

CEMETRIES

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
TOWN :			
- Selling of graves:			
- Adults	450.00	450.00	513.00
- Children under the age of 10	250.00	250.00	285.00
- Stillborn	No charge	No charge	No charge
- Non Residence	750.00	750.00	855.00
TOWN SHIP :			
- Residence	120.00	120.00	136.80
- Children under the age of 10	90.00	90.00	102.60
- Stillborn	No charge	No charge	No charge
- Non Residence	500.00	500.00	570.00
OPEN AND CLOSURE			
Weekdays	200.00	200.00	228.00
Weekends & Public Holidays	350.00	350.00	399.00
Burial on top of each other	350.00	350.00	399.00
Erection of Tombstone plans	20.00	20.00	22.80
Wall of Remembrance :			
- Residence	400.00	400.00	456.00
- Non Residence	500.00	500.00	570.00
Muslim Graves	650.00	650.00	741.00
Erection / Replacement of tombstones :			
- Residence	85.00	85.00	96.90
- None Residence	150.00	150.00	171.00
Traffic Assistance / Escourt	500.00	500.00	570.00

LIBRARY

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Penalty Fees			
Per Book per Week	1.50	1.50	1.71
Donation for Lecture Hall	120.00	120.00	136.80
Cultural Organisations	170.00	170.00	193.80
Membership \ Subscription			
Rate Payers	7.50	7.50	8.55
Non Rate Payers	50.00	50.00	57.00
Rental of Library Halls			
Deposit	200.00	200.00	228.00
Rent - 08:00-17:00	100.00	100.00	114.00
Rent - 17:00-24:00	150.00	150.00	171.00

PROPERTIES

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Parking Area			
- Busses per day	25.00	25.00	28.50
- Taxi / Busses Loading	4.00	4.00	4.56
Vendors			
- per day	5.00	5.00	5.70
- weekly	20.00	20.00	22.80
- monthly	75.00	75.00	85.50
Caravan Park			
Out of Season tariff (03 January to 31 October each year)			
- overnight tariff - first four persons	78.95	78.95	90.00
- per extra person	13.16	14.04	16.00
- additional vehicle	17.54	18.42	21.00
Day visitor to park	21.93	15.79	18.00
Pensioners visiting park			
- Overnight tariff - first four persons	43.86	43.86	50.00
- per extra person	6.58	8.77	10.00
- day visitor	10.97	11.40	13.00
- day visitor (Groups of 10 or more persons)		8.77	10.00
Maximum of six (6) persons per stand			
Contractors - an additional	17.54	18.42	21.00
- no storage of any material / vehicles / equipment			
In Season tariff (01 November to 02 January each year)			
- overnight tariff - first four persons	157.90	125.44	143.00
- per extra person	26.32	14.04	16.00
- additional vehicle	35.08	18.42	21.00
Day visitor to park	43.86	21.05	24.00
Pensioners visiting park			
- Overnight tariff - first four persons	87.72	78.95	90.00
- per extra person	13.16	15.79	18.00
- day visitor	21.93	11.40	13.00
Maximum of six (6) persons per stand			
Contractors - an additional	35.09	18.42	21.00
- no storage of any material / vehicles / equipment			
Abattoir - No service rendered.			
- Inspections Fees			
Cattle	10.00	-	-
Calf	4.00	-	-
Sheep	2.00	-	-
Pigs	5.00	-	-
Suckling	3.00	-	-
Tripe per kg	0.75	-	-
Sundry			
Sale of Sand Per 6 m3	250.00	250.00	285.00
Sale of Gravel Per 6 m3	250.00	250.00	285.00
Hire of Back-actor Per Hour - Driver included	350.00	350.00	399.00
Hire of Grader Per Hour - Driver included	600.00	600.00	684.00

TOWN HALL & BUILDINGS

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
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A DEPOSIT TO BE PAID AT ALL TIMES.

DEPOSIT FOR RATE PAYERS

Halls	300.00	400.00	400.00
Crockery	300.00	400.00	400.00

DEPOSIT FOR NON RATE PAYERS

Halls	800.00	800.00	800.00
Crockery	800.00	800.00	800.00

RENTAL

Rate Payers

Town Hall

per day or part thereof	263.16	263.16	300.00
Extra day for preparations after 17h00	105.26	105.26	120.00

Non Rate Payers

Town Hall

per day or part thereof	350.00	350.00	399.00
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Horticultural Hall

per day or part thereof	180.00	180.00	205.20
repetitions (each)	25.00	25.00	28.50
Sports Sessions (between 08:00-17:00)	25.00	25.00	28.50
(between 17:00-24:00)	40.00	40.00	45.60

Township Community Halls & LDF Sports Hall

if no entrance fee is charged & for community organisations

LDF Hall	40.00	40.00	45.60
Community Halls	75.00	75.00	85.50

if entrance fee is charged & for Political Meetings

LDF Hall	75.00	75.00	85.50
Community Halls	120.00	120.00	136.80

Sportsclubs per year or part thereof (only if hall is not needed
for other purposes) - Only Communit Halls and LDF Hall
Maximum of 4 hours per week per club

132.00	132.00	150.48
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Stadiums and Open Grounds

Townships

Deposit	100.00	100.00	100.00
Practise session per activity per day or part thereof	65.00	65.00	74.10
Matches per activity per day or part thereof	100.00	100.00	114.00
Any other non-sport functions	120.00	120.00	136.80
Rent : 06:00-18:00	120.00	120.00	136.80

Towns

Deposit	400.00	400.00	400.00
Practise session per activity per day or part thereof	100.00	100.00	114.00
Matches per activity per day or part thereof	150.00	150.00	171.00
Rent : 06:00-18:00	120.00	120.00	136.80
Rent after 18:00 without lights	140.00	140.00	159.60
Rent after 18:00 with lights	180.00	180.00	205.20
Any other non-sport functions	200.00	200.00	228.00
	300.00	300.00	342.00

Cricket Field

Practise session per activity per day or part thereof	100.00	100.00	114.00
Rent : 09:00-19:00	180.00	180.00	205.20
Rent with lights	240.00	240.00	273.60
Athletic Track (Unmarked) per day or part thereof	240.00	240.00	273.60

SWIMMING POOL

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Season Tickets			
Adults	40.00	40.00	45.60
School Going Children	30.00	30.00	34.20
Day Visitors			
Adults	3.51	3.51	4.00
School Going Children	1.75	1.75	2.00

PROTECTION SERVICES

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
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VELD FIRES

Area of Rate Payers

Call out fee - payable by owner	100.00	100.00	114.00
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Area outside of Rate Payers

Call out fee - payable by owner	700.00	700.00	798.00
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Running cost per vehicle per kilometer	2.75	2.75	3.14
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Tariff per hour	550.00	550.00	627.00
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ASSESSMENT RATES

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Public / Residential			
Site			
Improvements			
Market Value	0.1000	0.1000	
Government / State Owned			
Site			
Improvements			
Market Value	0.1000	0.1000	
Business / Industrial			
Site			
Improvements			
Market Value	0.2000	0.2000	
Farms / Agricultural			
Site			
Improvements			
Market Value	0.025	0.025	
Public Service Infrastructure			
Market Value	0.025	0.025	

Exemptions, Rebates, Discounts & Reductions.

As stipulated in the Council's Rates Policy and Rates By-Law

(The proposed rebate will have an effect of approximately 10% on the income)

Settlement Discount

Residential Properties: If the full current Residential service account are paid before or on the last day of each month the consumer qualify for a 5% (five percent) discount on property tax only.

POLICY AMENDMENTS

All owners of Residential property to receive a rebate of 94.7% (previous financial year 95%).

All owners of Business and Industrial property to receive a rebate of 94.7 (previous financial year 95%)

All agricultural properties to receive a rebate of 94.7% (previous financial year 95%)

All state owned properties to receive a rebate of 0% (previous financial year 20%)

<u>ELECTRICITY</u>			
DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Availability:	51.12	61.34	69.93
Basic Charges			
Domestic	131.59	157.91	180.02
Business	162.46	194.95	222.25
Industrial High > 15000 kwh	1 851.91	2 222.30	2 533.42
Industrial Low < 15000 kwh	124.14	148.97	169.83
Small Holdings / Farms	197.17	236.60	269.73
Government & Provincial	297.85	357.42	407.46
School Hostels	131.59	157.91	180.02
Sport	119.14	142.97	162.98
Municipal use	119.14	142.97	162.98
Unit Price per Kwh			
Domestic (First 50 Kwh free)	0.49	0.59	0.68
Business (No free Kwh applicable)	0.51	0.61	0.69
Small Holdings / Farms (No free Kwh applicable)	0.55	0.66	0.76
Government & Provincial (No free Kwh applicable)	0.76	0.91	1.04
Sport (No free Kwh applicable)	0.53	0.63	0.72
Municipal use (No free Kwh applicable)	0.58	0.69	0.79
Single rate tariff / Prepaid	0.67	0.80	0.91
Bulk Users			
K V A High voltage	78.40	94.07	107.25
K V A Low voltage	72.30	86.76	98.91
0 - 15000	0.33	0.40	0.456
15001 >	0.29	0.35	0.393
Deposit			
Domestic	500.00	500.00	
Business	700.00	700.00	
Non Citizen - Domestic	1 000.00	1 000.00	
Non Citizen - Business	1 400.00	1 400.00	
New Connections			
Domestic Single Phase	1 500.00	1 500.00	1 710.000
Business Single Phase	3 000.00	3 000.00	3 420.000
Domestic Other - Cost plus	10.00%	10.00%	
Business Other - Cost plus	10.00%	10.00%	
or actual cost which ever is the highest.			
Re Connection cost			
Domestic	1 000.00	1 000.00	1 140.000
Business	1 000.00	1 000.00	1 140.000
Testing of Meters	150.00	150.00	171.000

The Financial Manager will charge a Deposit to his own discretion on any applicants who are not a South African citizen.

REFUSE SERVICES

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
HOUSEHOLD			
Township	47.01	49.36	56.27
Town	57.17	60.03	68.44
Business			
Town & Township Factor Value	59.71	62.70	71.48
Business to start with a value of 2			
All Business' must be valued by Enviromental Health Officers			
Tuckshop	47.01	49.36	56.27
Provincial & Government Buildings	160.08	168.09	191.62
Garden Refuse (Container or Trailer rental)	101.64	106.72	121.66
Building Rubble per 8 ton Load	1 000.00	1 050.00	1 197.00
Cleaning of Sites (Vacant Sites Only)(per 100 m2 or part thereof)	500.00	525.00	598.50
Removal of Trade Refuse (per 85 lt container)		90.00	102.60
Removal of perishable foodstuffs		200.00	228.00
Removal of Carcass			
Cattle	200.00	210.00	239.40
Other Than Cattle	100.00	105.00	119.70

Services to be rendered once a week.

SEWERAGE SERVICES

DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Bucket System / VIP System	36.84	38.69	44.10
Domestic	47.01	49.36	56.27
Septic Tank	47.01	49.36	56.27
Septic Tank Indigent only	-	-	-
Business	68.61	72.04	82.12
Provincial Administration	161.35	169.42	193.14
- Hospitals	470.09	493.59	562.69
- Jails	533.61	560.29	638.73
Availability	26.05	27.35	31.18
Services:			
Blockages office hours	80.00	84.00	95.76
after hours	160.00	168.00	191.52
Inspection fees	40.00	42.00	47.88
Connection Fees or actual cost, which ever is the highest.	1 500.00	1 575.00	1 795.50

Service based on once per week

<u>WATER SERVICES</u>			
DESCRIPTION	TARIFF No VAT 2009/2010	TARIFF No VAT 2010/2011	TARIFF Inc Vat 2010/2011
Availability:	45.12	49.63	56.58
Basic Charge			
Domestic Use			
Fully Connected Site with Meter	53.26	58.59	66.79
Site with Communal Tap/Basic charge	45.12	49.63	56.58
Site with tap without meter	52.76	58.04	66.16
Business	67.37	74.11	84.49
Small Holdings	64.60	71.07	81.01
Government & Provincial	165.10	181.61	207.04
Sports Clubs	129.21	142.13	162.03
Unit Price			
0 - 6 (Domestic users only)	0.00	-	-
0 - 6 (All other users and consumers)	2.13	2.34	2.67
6,1 - 10	2.50	2.75	3.14
10,1 - 20	2.73	3.01	3.43
20,1 - 30	3.01	3.31	3.77
30,1 >	3.24	3.56	4.06
Municipal Use & Sports Clubs	2.30	2.53	2.88
Deposit			
Household	200.00	200.00	200.00
Business	400.00	400.00	400.00
Non Citizen - Domestic	400.00	400.00	400.00
Non Citizen - Business	800.00	800.00	800.00
New Connection			
Household	997.18	1 151.74	1 312.98
Business	2 492.94	2 879.35	3 282.46
or actual cost, which ever is the highest.			
Re-Connection			
Household	273.46	300.81	342.92
Business	410.19	451.21	514.38
No Charge to be levied for Call Out			
Testing of Watermeters	150.00	150.00	171.00
Prepaid Water meters			
Tariff to be determined once meters are installed.			

ADMINISTRATION COST

DESCRIPTION

**% of
Departmental Income
2010/2011**

Cleansing services	5.00%
Sewer services	5.00%
Electricity services	8.00%
Water services	5.00%

PROPOSED INDIGENT SUBSIDY

DESCRIPTION	% SUBSIDY 2010/2011
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INCOME CATEGORY

A	R 0 - R 800 per household per month	100%
B	R 801 - R 1000 per household per month	80%
C	R 1001 - R 1200 per household per month	60%
D	R 1201 - R1400 per household per month	25%